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# Message Text

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FOLLOWING REPEAT OECD PARIS 22159 ACTION INFO GENEVA USUN NEW YORK EC BRUSSELS MEXICO CAIRO MANILA OTTAWA CANBERRA SECSTATE DATED 9/19/74.

QUOTE LIMITED OFFICIAL USE OECD PARIS 22159

AIDAC

E.O. 11652: N/A
SUBJECT: OECD AD HOC MEETING--ITEM 5--DRAFT CHARTER OF ECON RIGHTS AND DUTIES OF STATES

1. SUMMARY: USEFUL REVIEW OF GROUP B ATTITUDES TO STATUS OF CHARTER INCLUDED: DISCUSSION LIKELY PROSPECT OF 5TH UNCTAD SESSION IF TRUE CONSENSUS NOT ATTAINABLE; CONCERN ABOUT OVEREMPHASIS PARAMOUNT IMPORTANCE ANY ONE PARA (E.G. NATIONALIZATION) AS WEAK BARGAINING POSITION FOR CHARTER AS A WHOLE; CONCERN ABOUT U.S. INCLINATION TO COMPROMISE TO ACHIEVE "INTERNATIONAL OBLIGATIONS" OR FALL-BACK LANGUAGE. END SUMMARY.

2. CANADA (MONTGOMERY) SUMMARIZED JUST-CONCLUDED UNCTAD TDB CONSULTATIONS ON CHARTER. HE FELT THERE HAD BEEN SOME FORWARD MOVEMENT WHICH MIGHT RESULT IN AGREEMENTS
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DURING NY CONSULTATIONS. CHARTER WOULD BE IMPORTANT

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DOCUMENT FOR BILATERAL AND MULTILATERAL RELATIONS IF IT WERE ADOPTED BY GENERAL CONSENSUS WITHOUT MANY RESERVATIONS. HE WAS INCLINED TO BE PESSIMISTIC ABOUT POSSIBILITY OF SATISFACTORY CHARTER, BUT SUGGESTED AD HOC MEETING DISCUSS: (A) POSSIBILITIES OF AGREEMENT' (B) POSSIBLE ACTIONS ON CHARTER IN UNGA SECOND COMMITTEE, AND (C) POSSIBILITIES BEFORE GROUP B TO VOTE FOR, ABSTAIN WITH RESERVATIONS, VOTE AGAINST CHARTER, OR SEEK FIFTH SESSION OF UNCTAD WORKING GROUP. ON LATTER POINT, HE URGED GROUP B BE CAUTIOUS IN PUTTING FORWARD PROPOSAL FOR FIFTH SESSION SINCE GROUP OF 77 DIVIDED ON MATTER.

3. JAPAN (MIYAKE) REPORTED VIEWS OF EGYPT (EL-ERIAN), PHILIPPINES (BRILLANTES), MEXICO (CASTENADA), AND UNCTAD SECRETARIAT (MALKIN) ON CHARTER. EL-ERIAN THOUGHT CONSULTATIONS DURING TDB NOT VERY SUCCESSFUL, DUE IN PART TO DIFFICULTY OF REACHING AGREEMENT WHEN ANOTHER MEETING FORESEEN IN NY. HE FELT INDIA (CHADHA) HAD TAKEN A STIFF POSITION (CHADHA REPORTEDLY WILL NOT BE COMING TO NY CONSULTATIONS). BRILLANTES SEES LITTLE HOPE FOR SUCCESS IN NY CONSULTATIONS AND, ACCORDING TO TEESE OF AUSTRALIA, DOES NOT PLAN TO ATTEND THEM. HE FORESEES A FIFTH SESSION OF THE UNCTAD WORKING GROUP. SOME OPTIMISM IN GROUP OF 77 AND UNCTAD SECRETARIAT THAT AGREEMENT ON CHARTER CAN BE REACHED IN NY. VIEWS OF CASTENADA AS SHARED BY EL-ERIAN AND SECRETARIAT ARE SIMILAR TO THOSE REPORTED IN GENEVA 5683: IF NATIONALIZATION ISSUES RESOLVED' THEN CHARTER POSSIBLE. PARAS 3 AND 19 WOULD THEN BE RESOLVED IN FAVOR OF GROUP B COUNTRIES, SINCE SOCIALIST BLOC WOULD BE EXPECTED TO SOFTEN ATTITUDE IN FACE OF STRONG PRESSURES FROM GROUP OF 77 THAT SOCIALISTS NOT STAND IN WAY OF ACCEPTANCE OF CHARTER. GROUP OF 77 COULD THEN BE PERSUADED TO DROP FROM CHARTER CONTENTIOUS ISSUES OF PRODUCER ASSOCIATIONS, INDEXATION, AND RESTITUTION FOR COLONIAL RAVAGES IN EXCHANGE FOR DROPPING OF SECURITY OF SUPPLY ISSUE. BUT ON THE UNDERSTANDING THAT SUCH ISSUES COULD BE NEGOTIATED AT A LATER TIME AND ADDED AS ADDITIONAL PARAS TO THE CHARTER.

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4. MIYAKE REPORTED THAT UNCTAD SECRETARIAT CONSIDERS CHARTER SO IMPORTANT THAT IF AGREEMENT NOT REACHED IN NY, IT WILL URGE GROUP OF 77 NOT TO PUSH THE CHARTER TO A VOTE, BUT TO SEEK AUTHORIZATION FROM THE UNGA FOR A FIFTH SESSION OF THE UNCTAD WORKING GROUP. HE ALSO SAID THAT THE JAPANESE FOREIGN MINISTER HAD RECENTLY TALKED WITH MEXICAN PRESIDENT ECHEVERRIA AND HAD URGED THE NEED FOR CONSENSUS ON THE CHARTER, ARGUING THAT IT NOT

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BE PUT TO A VOTE, SINCE ADOPTION BY ANYTHING BUT A REAL CONSENSUS WOULD DEGRADE THE VALUE OF THE CHARTER.

5. BELGIUM, SUPPORTED BY JAPAN, CANADA, SWITZERLAND (STAEHELIN), AND OTHER DELEGATES, POINTED OUT TACTICAL PROBLEM IF GROUP B PLACED TOO MUCH EMPHASIS ON THE ONE PARA ON NATIONALIZATION, SINCE AS SOON AS THAT ISSUE WAS RESOLVED, GROUP B WOULD BE UNDER GREAT PRESSURE, PARTICULARLY IN THE HIGHLY POLITICAL ATMOSPHERE OF UNGA, TO VIFLD ON OTHER PARAS OF THE CHARTER. BELGIUM SUGGESTED THAT OTHER PARAS BE SETTLED BEFORE FINALLY AGREEING TO NATIONALIZATION PARA. OTHER DELS, PARTICULARLY JAPAN' AGREED ON DANGER OF PRESSURE AND SUGGESTED NEGOTIATIONS ON ALL IMPORTANT MATTERS BE CARRIED ON IN PARALLEL. JAPAN ALSO SAW DANGER THAT GROUP OF 77 MIGHT SPLIT CHARTER INTO TWO PARTS, ONE OF AGREED SECTIONS WHICH COULD BE ACCEPTED BY CORSENSUS AND THE OTHER OF NON-AGREED SECTIONS WHICH WOULD BE VOTED UPON.

6. GERMANY AND JAPAN VERY FIRM ON NECESSITY OF HAVING PARAS ON PRODUCER ASSOCIATIONS AND INDEXATION DROPPED FROM DRAFT CHARTER. IN THIS SAME CONTEXT. ITALY, TURKEY, IRELAND AND SWEDEN STREESED THAT GROUP B COUNTRIES SHOULD BE MORE FLEXIBLE. ITALY INSISTED THAT GROUP B SHOULD THINK IN TERMS OF GIVING FURTHER CONCESSIONS TO OBTAIN A FAVORABLE CHARTER.

7. US DEL (TANK) MADE STATEMENT ALONG LINES GIVEN STATE 203809. A NUMBER OF DELEGATIONS. INCLUDING THE FRENCH, NUTED US POSITION ON VOTING AGAINST AN UNSATISFACTORY CHARTER, BUT NO DELEGATION COMMITTED ITSELF TO ANY VOTING PATTERN. JAPAN, GERMAN (DITTMAN), AND CANADA INDICATED BY THEIR STATEMENTS THAT THEY WERE LIMITED OFFICIAL USE



CONSIDERING IF NECESSARY A NEGATIVE VOTE ON THE CHARTER AS A WHOLE. US DEL SAID IN STATEMENT THAT US HOPED THAT OECD MEMBER STATES WOULD BE ABLE TO STATE THEIR POSITIONS ON VOTING BY THE OPENING DATE OF THE NY CONSULTATIONS.

8. EC (SALTER) MADE STATEMENT PLAYING DOWN IMPORTANCE OF NATIONALIZATION ISSUES ALONG LINES SIMILAR TO THOSE REPORTED GENEVA 5737. HE DID NOT RAISE IMPORTANCE OF SECURITY OF SUPPLY TO EC COUNTRIES BUT PUT GREATER EMPHASIS ON POINT MADE BY BELGIUM, FRANCE, AND OTHERS THAT ALL PARAS OF CHARTER ARE EQUALLY IMPORTANT. EC MEMMER STATES DID NOT FOLLOW UP ON OR SUPPORT SALTER'S STATEMENT.

9. MAJOR ITEM OF DISCUSSION ON CHARTER OPENED BY FRANCE

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(CHOLLET) WITH REGARD TO FURTHER NEGOTIATIONS ON BRILLANTES' TEXT. CHOLLET QUERIED HOW FAR THE US WAS GOING TO GO TO REACH A COMPROMISE ON "INTERNATIONAL OBLIGATIONS" LANGUAGE. HE SAID THAT HIS DEL HAD NOT YET SUBMITTED TO THE FRENCH AUTHORITIES FOR APPROVAL THE ALTERNATIVE "INTERNATIONAL OBLIGATIONS" TO REPLACE "INTERNATIONAL UNDERTAKINGS AND COMMITMENTS" IN THE BRILLANTES TEXT. HOWEVER, HE COULD NOT ENVISION GOING TO ANY WEAKER FORMULATIONS. JAPAN DISCUSSED US FALL-BACK POSITIONS FROM "INTERNATIONAL OBLIGATIONS" AND WAS UNHAPPY WITH THEM. MIYAKE INDICATED THAT UNDER GREAT PRESSURE, IT MIGHT ACCEPT AS A FINAL FALL-BACK "INTER-NATIONAL RIGHTS AND DUTIES OF STATES." GERMANY (DITTMAN) SAID NATIONALIZATION PARA IS BY FAR THE MOST IMPORTANT PARA AND MAY HAVE ASSUMED MORE IMPORTANCE THAN IT SHOULD HAVE. GERMANY NOT HAPPY WITH BRILLANTES' FORMULA AND "UNDERTAKINGS AND COMMITMENTS" LANGUAGE UNACCEPTABLE. IT WOULD PREFER "OBLIGATIONS UNDER INTERNATIONAL LAW" AND THINKS THIS SHOULD BE PUT FORWARD. IT IS HESITANT ABOUT ACCEPTING "INTERNATIONAL OBLIGATIONS" AND FINDS "INTERNATIONAL RIGHTS AND DUTIES OF STATES" UNACCEPTABLE. SWISS (STAEHELIN) ALSO FOUND THIS LATTER FORMULA UNACCEPTABLE AND SAID THAT INTERNATIONAL LAW WRITTEN AND UNWRITTEN WOULD HAVE TO BE IMPLIED IN THE FORMULA.

10. EC (SALTER) APPROACHED US DEL (BLACK) RE ARRANGE-
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MENTS FOR GROUP BE MEETINGS FOR COORDINATION DURING NY CONSULTATIONS. STATE 204465 OUTLINES ARRANGEMENTS PROPOSED. CHAIRMAN TEESE OF AUSTRALIA RAISED MATTER, CITING INITIATIVE AS THAT OF US. ALL COUNTRIES AGREED TO ARRANGEMENT EXCEPT FRANCE, WHICH INSISTED THAT ARRANGEMENTS FOR GROUP B MEETINGS SHOULD BE MADE IN NY AT THE OCTOBER 7TH (3 P.M.) MEETINGS. CHOLLET INDICATED PRIVATELY HE UNWILLING TO HAVE TIME OF GROUP B MEETINGS SET UP IN OECD AD HOC MEETING BECAUSE OF SENSITIVENESS OF FRENCH UN MISSION WHICH OPPOSED UNCTAD-TYPE GROUP B COORDINATION IN UNGA. HE BELIEVES LNCTAD CHARTER WORKING GROUP IS A SPECIAL CASE BUT WANTS TO WORK OUT DETAILS WITH HIS MISSION WHEN HE ARRIVES IN NY. FOR THE MOMENT, THEREFORE, ONLY OCTOBER 7TH MEETING HAS BEEN AGREED TO BY ALL GROUP B COUNTRIES.
TURNER UNQUOTE INGERSOLL



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